

**Hearing Outcomes**  
**Subcommittee No. 3**  
**9 a.m., Thursday, May 21, 2007**

**Vote-Only Agenda**

**Multiple Departments**

- Vote-Only Issue 1: Reduction in the Price Increase – Multiple Departments  
**Action:** Approved the requested adjustments. **Vote:** 3-0

**0530 Health and Human Services Agency – Office of System Integration**

- Vote-Only Issue 1: Statewide Automated Welfare System (SAWS)  
**Action:** Approved the budget request for LEADER, including LEADER replacement, ISAWS maintenance and operation, C-IV, WDTIP, and project management. **Vote:** 3-0
- Vote-Only Issue 2: Electronic Benefit Transfer (EBT)  
**Action:** Approved the requested adjustments. **Vote:** 3-0

**4170 California Department of Aging**

- Vote-Only Issue 3: Alzheimer's Demonstration Project Grant Budget Bill Language  
**Action:** Amended the requested budget bill language to require notification of the Joint Legislative Budget Committee within 10 days of approval by Department of Finance to the Department of Aging to expend the funds. **Vote:** 3-0
- Vote-Only Issue 4: Senior Legal Hotline  
**Action:** Provided \$250,000 General Fund to the Senior Legal Hotline. Added a schedule to Item 4710-101-0001 as follows:  
(4.5) 97.20.004 Local Projects.....\$250,000  
(a) Legal Services of Northern California: Senior Legal Hotline  
**Vote:** 2-1 (Cogdill)

**4200 Department of Alcohol and Drug Programs**

- Vote-Only Issue 5: Funding for Proposition 36, the Substance Abuse and Crime Prevention Act (SACPA)  
**Action:** Added \$60 million General Fund to Proposition 36 to restore funding to the current year level. Maintained the total \$60 million that the Administration has proposed for the Offender Treatment Program. **Vote:** 2-1 (Cogdill)
- Vote-Only Issue 6: California Methamphetamine Initiative (CMI)  
**Action:** Approved as budgeted. **Vote:** 3-0

- Vote-Only Issue 7: Prison Inmate Aftercare Treatment  
**Action:** Approved as budgeted. **Vote:** 2-1 (Cogdill)
- Vote-Only Issue 8: Drug Medi-Cal  
**Action:** Approved the requested adjustments. **Vote:** 3-0

#### **4700 Department of Community Services and Development**

- Vote-Only Issue 9: Naturalization Services Program  
**Action:** Provided an additional \$2.0 million General Fund for the Naturalization Services Program. **Vote:** 2-1 (Cogdill)

#### **5160 Department of Rehabilitation**

- Vote-Only Issue 10: Office Building (OB) 10 Relocation Support  
**Action:** Approved the requested adjustment. **Vote:** 3-0
- Vote-Only Issue 11: Department of Rehabilitation Requirements in the Statutory Subvention Process  
**Action:** Adopted placeholder trailer bill language that reflects the revised information submitted by the Department of Rehabilitation at the May Revision. **Vote:** 3-0
- Vote-Only Issue 12: May Revision Caseload Adjustments  
**Action:** Approved the Department of Rehabilitation estimate as budgeted. Adopt placeholder trailer bill language that requires the Department of Rehabilitation to track the exact number of SEP and WAP consumers for 2007-08, how much it costs to serve them, and from what other programs funds were redirected to serve them if the costs exceed the budgeted amount. The DOR shall submit this information to the Legislature on January 10, 2008 and May 15, 2008. The Department of Rehabilitation shall also submit to the Legislature a proposed methodology for projecting caseload and funding growth in the SEP and WAP for 2008-09 and beyond by April 1, 2008. **Vote:** 3-0

#### **5175 Department of Child Support Services**

- Vote-Only Issue 13: Performance Incentive Funding  
**Action:** Approved as budgeted. **Vote:** 3-0
- Vote-Only Issue 14: Continue Suspension of Health Insurance Incentives and Improved Performance Incentives Programs  
**Action:** Approved the proposed trailer bill language. **Vote:** 3-0
- Vote-Only Issue 15: Various Spring Finance Letter Requests  
**Action:** Approved the requested adjustments in A. through E. on the agenda with a permanent redirection of funds from Items 5175-002-0001 and 5175-002-0890 to Items 5175-001-0001 and 5175-001-0890. **Vote:** 3-0

- Vote-Only Issue 16: California Child Support Automation System (CCSAS) Federal Certification  
**Action:** Approved the reappropriation of unspent funds from the 2004-05 and 2005-06 appropriations, but delete the reappropriation language for 2006-07. **Vote:** 3-0
- Vote-Only Issue 17: Federal Dispute Resolution Grant  
**Action:** Approved the requested adjustment. **Vote:** 3-0
- Vote-Only Issue 18: CCSAS State Distribution Unit (SDU)  
**Action:** Approved the requested adjustments. **Vote:** 3-0
- Vote-Only Issue 19: CCSAS Child Support Enforcement System (CSE)  
**Action:** Approved the requested adjustments. **Vote:** 3-0

### **5180 Department of Social Services**

- Vote-Only Issue 20: May Revision Caseload Adjustments  
**Action:** Approved the May Revision adjustments in funding due to caseload updates (adjusted as appropriate for actions taken elsewhere in the agenda), and adopt \$5.4 million General Fund savings in the Cash Assistance Program for Immigrants and \$3.4 million General Fund savings in Child Welfare Services due to revised caseload estimates identified by the Legislative Analyst's Office. **Vote:** 3-0
- Vote-Only Issue 21: Regional Market Rate Adjustment for California Work Opportunity and Responsibility to Kids (CalWORKs) Child Care  
**Action:** Approved the requested adjustment. **Vote:** 3-0
- Vote-Only Issue 22: Freeze Response Impact on CalWORKs and the California Food Assistance Program  
**Action:** Approved the requested adjustments. **Vote:** 3-0
- Vote-Only Issue 23: Food Bank Funding Freeze  
**Actions:** 1) Adopted the requested adjustment and budget bill language. **Vote:** 3-0 and 2) Adopted placeholder trailer bill language that would permit any of these funds that are unused for their stated purpose to be used for other emergency food needs in the State. **Vote:** 2-1 (Cogdill)
- Vote-Only Issue 24: Erosion of In-Home Supportive Services Quality Assurance Savings  
**Action:** Approved the requested adjustment. Adopted Supplemental Report Language to require the Department of Social Services (DSS) to report to the Legislature quarterly on IHSS utilization data by county, task, and client level. The data will also report the number of exceptions by county, task, and client level. Adopt budget bill language to require the DSS to report at budget hearings on the impact of the IHSS QA regulations. **Vote:** 3-0

- Vote-Only Issue 25: Update cost of SSI/SSP Cost-of-Living (COLA) Adjustment  
**Action:** Amended the requested adjustment to conform the Subcommittee's previous action to approve the 3.7 percent SSP COLA and adopted the LAO recommendation to fund the revised SSI COLA of 1.97 percent. **Vote:** 2-1 (Cogdill)
- Vote-Only Issue 26: Semi-Annual Reporting Automation Costs  
**Action:** Approved the requested adjustment and the following budget bill provisional language in Item 5180-141-0001: Of the funds appropriated in this item, \$17,151,000 is for automation changes in the four Statewide Automated Welfare System (SAWS) consortia for the purpose implementing a semi-annual reporting system. These funds may not be expended unless all of the following conditions are met: (1) the Legislature enacts a program of semi-annual reporting for the CalWORKs, Food Stamps, and California Food Assistance programs; (2) related automation project documents, as required by the state administrative manual, are approved by the Department of Finance; and (3) the Department of Finance notifies the Legislature of its approval. **Vote:** 3-0
- Vote-Only Issue 27: CWS/Case Management System Federal Cost Allocation Plan  
**Action:** Approved the requested adjustment. **Vote:** 3-0
- Vote-Only Issue 28: Title IV-E Waiver Adjustment  
**Action:** Approved the requested adjustment. Adopted budget bill language to require the Department of Social Services (DSS) to collaborate with stakeholders on the Title IV-E waiver evaluation timeline, components, and execution effective upon enactment of the Budget Act.. **Vote:** 3-0
- Vote-Only Issue 29: CalWORKs Reserve for Contingencies  
**Action:** Approved the requested adjustment. **Vote:** 3-0
- Vote-Only Issue 30: Reappropriation Authority for CalWORKs Reserve Performance Incentives  
**Action:** Approved the requested adjustment and budget bill language. **Vote:** 3-0
- Vote-Only Issue 31: *Conlan v. Shewry*  
**Action:** Approved the requested adjustment. Amended the budget bill language to also requires the Department of Finance to report to the Legislature on the amount to be transferred and the number of positions established. **Vote:** 3-0
- Vote-Only Issue 32: Direct Deposit Information  
**Action:** Adopted Supplemental Reporting Language requiring the DSS submit a schedule by August reflecting monthly progress tasks and then a monthly status letter against that schedule with a representative from the Legislative Analyst's Office and the Department of Finance, if desired, attending a quarterly status meeting. **Vote:** 2-1 (Cogdill)

- Vote-Only Issue 33: Electronic Benefit Transfer Reprocurement  
**Action:** Approved the requested adjustment. **Vote:** 3-0
- Vote-Only Issue 34: County Equipment Replacement and User Support  
**Action:** Provided \$27.8 million (\$11.3 million General Fund) for hardware replacements for the CWS/CMS, CalWIN, C-IV, and LEADER statewide automation systems and for help desk staff to support CalWIN. **Vote:** 2-1 (Cogdill)
- Vote-Only Issue 35: Adult Protective Services  
**Action:** Provided a \$10 million General Fund augmentation to the Adult Protective Services Program. **Vote:** 2-1 (Cogdill)
- Vote-Only Issue 36: Private Adoption Agency Reimbursement Program (PAARP)  
**Action:** Provided a \$2.0 million General Fund augmentation to the Private Adoption Agency Reimbursement Program to increase the PAARP reimbursement rate. **Vote:** 3-0
- Vote-Only Issue 37: Licensing Reform Automation  
**Action:** Approved the budget request. Reduced Item 5181-001-0001 by \$1.675 million and added the following provision: In addition to the amount appropriated in this item, the Department may spend up to \$1,675,000 to implement its Licensing Reform Automation proposal, subject to the following condition. The Community Care Licensing public website pages which display individualized licensing information about providers, shall display, in addition to existing information, any adverse administrative actions pending against a provider's license. These funds may not be expended until the Department of Social Services notifies the Legislature of how they intend to display this new information. **Vote:** 2-1 (Cogdill)
- Vote-Only Issue 38: Temporary Assistance Program (TAP)  
**Action:** Revised the proposed trailer bill language to delay the implementation date from the current October 1, 2007 to April 1, 2009. **Vote:** 3-0
- Vote-Only Issue 39: State Support for CalWORKs  
**Action:** Rejected the requested positions and funding. **Vote:** 2-1 (Cogdill)
- Vote-Only Issue 40: Enhanced Kin-GAP Clean-up Issues
- **Action:** Provided \$750,000 General Fund to fund the state clothing allowance at 100 percent and to permit the three counties to receive the clothing allowance. Adopt placeholder trailer bill language to effect a 100 percent state share for the county sharing ratio for the clothing allowance and eliminate the county exclusion from clothing allowance for three counties (Tehama, Plumas, and Colusa). **Vote:** 2-1 (Cogdill)

## **Discussion Agenda**

### **5180 Department of Social Services**

- DSS Issue 1: California Work Opportunity and Responsibility to Kids (CalWORKs) Program

*Issue 1A: Full-Family Sanctions, Safety Net Grants, and Child-Only Grants*

**Action:** Rejected the Administration's proposals to impose full-family sanctions, restrict safety-net grants, and eliminate grants for children of CalWORKs ineligible parents. **Vote:** 2-1 (Cogdill)

*Issue 1B: County Plans*

**Action:** Adopted placeholder trailer bill language: 1) requiring the Department of Social Services to review the county plans for promising practices in the areas of upfront engagement and re-engagement of sanctioned families; gather information on implementation and results of these proposals; and disseminate that information; and 2) require DSS, in conjunction with the County Welfare Director's Association, to review the county plans and work with counties to determine what activities and strategies counties are using to encourage participation among time-limited families, gather information about the characteristics of the time-limited population, and report that information. The information in both cases should be submitted to the Legislature and counties. The Legislature would like to work with the Administration to develop an appropriate time frame for submission of those reports. **Vote:** 2-1 (Cogdill)

*Issue 1C: Semi-annual Reporting Trailer Bill Language*

**Action:** Rejected the Administration's trailer bill language and adopt replacement placeholder trailer bill language that will: 1) require counties to redetermine eligibility for recipients of CalWORKs and food stamp benefits on a semiannual basis; 2) establish an income reporting threshold where families must report within the six month period if their income increases by \$1,100 or increases above the CalWORKs or Food Stamp eligibility thresholds; and 3) prohibit the recoupment of projected Cal-WORKS administrative savings as long as county human services departments do not have sufficient funding to cover the cost of doing business and require settle-up of actual CalWORKs administrative savings with any projected CalWORKs administrative savings. **Vote:** 2-1 (Cogdill)

- DSS Issue 2: Child Welfare Services (CWS) Budget Methodology

**Action:** Adopted placeholder trailer bill language that would enact over five years the optimal standards reflected in the SB 2030 study as updated to reflect changes in practice to be implemented July 1, 2008. **Vote:** 2-1 (Cogdill)

- DSS Issue 3: County Costs for Operating Social Services Program

**Action:** Rejected the proposed trailer bill language. Adopt placeholder trailer bill language to restore the process of budgeting human services programs based on reasonable current costs to deliver services. Increases should be based on a process for estimating reasonable, actual costs; will ensure that county accountability is commensurate with resources provided; and will be sufficient to meet program requirements and objectives. **Vote:** 2-1 (Cogdill)

- DSS Issue 4: Transitional Housing Program (THP)-Plus  
**Action:** Approved a \$19.7 million General Fund augmentation to THP-Plus to fund the 44 counties with approved THP-Plus plans. **Vote:** 2-1 (Cogdill)
  
- DSS Issue 5: *Gomez v. Saenz*  
**Action:** Adopted the May Revision funding level as budgeted. **Vote:** 3-0 and 2)  
 Adopted placeholder trailer bill language to require DSS, in consultation with the County Welfare Director's Association, to track actual county costs to implement the *Gomez v. Saenz* court settlement agreement in the 2007-08 fiscal year. To the extent that actual costs differ from the amount estimated in the budget, the actual costs shall be used to update the premise commencing with the 2008-09 budget.  
**Vote:** 2-1 (Cogdill)
  
- DSS Issue 6: Foster Care Overpayments  
**Action:** Rejected the May Revision proposal. Adopted placeholder trailer bill language that: 1) rejects any retroactive cost-sharing of foster care overpayments; 2) requires DSS to work with the CWDA to develop a fair approach to state/county cost sharing of overpayments on a prospective basis, including repayment for legally uncollectible overpayments; 3) requires DSS to clarify policy and adopt regulations where lacking for the collection of overpayments; 4) requires DSS to gather and disseminate information and support county best practices for the prevention and recovery of overpayments; and 5) requires DSS and the Office of System Integration to work with CWDA to complete expedited approval of county requests to modify or implement automation systems designed to minimize overpayments and to provide counties with needed data from the CWS/CMS system to minimize overpayments..  
**Vote:** 2-1 (Cogdill)
  
- DSS Issue 7: Care Rates for Children Served by Dual Agencies  
**Action:** Approved as budgeted and amend trailer bill language to: 1) strengthen the grandfather provisions; 2) required DSS to collect information on the number of adoptions of dual agency children prior to and after implementation of the proposal; 3) required DDS to collect information over a corresponding period of time on how services provided by regional centers changed for these dual agency children and whether there was an increase in the number of appeals related to dual agency children; and 4) require DSS and DDS to submit a joint report with this information back to the Legislature. The Legislature would like to work with the Administration to develop an appropriate time frame for submission of those reports..  
**Vote:** 2-1 (Cogdill)
  
- DSS Issue 8: Foster Care Payment Methodology  
**Action:** Provided \$22 million General Fund and adopt placeholder trailer bill language updating the foster care methodology for all types of foster care providers (foster family homes, foster family agencies, and group homes) to address cost increases associated with caregiver recruitment and retention, minimum wage

changes, payroll tax increases, higher benefit costs, and specialized care requirements. **Vote:** 2-1 (Cogdill)

### **0530 Health and Human Services Agency – Office of System Integration**

- OSI Issue 1: Various May Revision Automated Requests

*Issue 1A: Child Welfare Services/Case Management Systems (CWS/CMS) Technical Change*

**Action:** Approved the redirection of \$1,000 for this request to put the item into conference committee to give staff an opportunity to analyze the request. **Vote:** 3-0

*Issue 1B: Case Management, Information, and Payrolling Systems II (CMIPS II)*

**Action:** Approved the reduction of \$1,000 from Item 0530-001-9732 and the transfer of \$1,000 to 5180-111-0001 for these requests to put the item into conference committee to give staff an opportunity to analyze the requests. **Vote:** 3-0

*Issue 1C: CalWORKs Information Network/Welfare Client Data System*

**Action:** Approved a decrease of \$1,000 to put the item into conference committee to give staff an opportunity to analyze the request. **Vote:** 3-0

*Issue ID: Interim Statewide Automated Welfare System Migration*

**Action:** Approved an increase of \$1,000 to put the item into conference committee to give staff an opportunity to analyze the request. **Vote:** 3-0